

Memorandum

*Flex your power!
Be energy efficient!*

To: ALL EMPLOYEES

Date: June 1, 2010


From: RAYMOND W. WOLFE, PhD
District Director

Subject: Preparation of Cost Estimate Certification

The purpose of this memorandum is to address the Cost Estimate Certification process within our District. We have reviewed the current process and have made modifications to obtain the estimate certification approval. I would like to re-emphasize the importance that all projects, regardless of the dollar amount, should be prepared with complete and accurate estimates that reflect the true scope of work to be performed and are based on the most current unit prices available.

The District will implement the following procedures:

1. All estimates, regardless of the dollar amount, will require the Project Engineer (PE) to complete the unit price calculation sheet (Attachment 1) for all items of work.
2. Projects over \$5 million will require an estimate certification memo from the Deputy District Director of Design (Attachment 2), to be completed prior to the project being considered Ready to List (RTL). The request for cost estimate certification memo approval should be submitted 4 weeks prior to the RTL date to Senior TE specialist (DOE). The estimate certification package used to develop the estimate shall consist of the following:
 - a) All major items of work must include the signed and checked unit price calculation sheets with supporting documentation completed.
 - b) Accuracy for the items of work performed by supporting units shall be the responsibility of that supporting unit and must be submitted to PE to be included in estimate certification package.
 - c) Memo from Design Senior (Attachment 3) requesting estimate certification should include description of work, unit price for major items in tabular form, target RTL date, and proposed advertisement date.

ALL EMPLOYEES

June 1, 2010

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- d) Copy of the latest engineers estimate (BEES).
- e) Copy of Funds Request

The Senior TE specialist (DOE) will review package for completeness and will verify with the PE that unit costs are current. Once verified, the estimate certification memo will be submitted to Design Deputy for recommendation and approval. In addition, Senior TE specialist will compare estimate certification with Funds Request submitted and will notify Programming and PM if a revised Funds Request should be processed.

The purpose of the certified cost estimate is to verify unit costs. Revisions to the quantities and unit prices may have been made during the DOE and DES-OE review process. Therefore, if the engineers estimate (BEES) and Funds Request do not match, then a discussion will be made with the PM and Programming Unit to determine if a Revised Funds Request will be submitted prior to the CTC vote. Do not manipulate the BEES or estimate certification to match the Funds Request.

The District has been updating and improving the Contract Cost Database on a continuous basis. There is also a project development toolbox on the web (http://pd.dot.ca.gov/pd_guidance.asp) and the RTL guide (http://www.dot.ca.gov/hq/esc/oe/specifications/rtl_guide/) that provides useful practices in preparing estimates. Also, when preparing the engineer's estimate, use the latest unit prices available and limit your search to the previous quarter bid results. If an item is not available, then you can extend your search.

Your efforts to continue to provide accurate cost estimates have not gone unnoticed and are greatly appreciated. Implementation of the above-mentioned procedures will ensure continued accuracy of project cost estimates.

Attachments: (3)

ENGINEER'S ESTIMATE - UNIT PRICE CALCULATION SHEET

ITEM CODE:	_____	EA:	_____
DESCRIPTION:	_____		
QUANTITY:	_____	UNIT:	_____
		UNIT PRICE:	_____

PREPARED BY:	_____	_____	DATE:	_____
		Initial		
CHECKED BY:	_____	_____	DATE:	_____
		Initial		

RESEARCH/CALCULATIONS:

METHODOLOGY/ASSUMPTIONS:

REFERENCES USED:

CONTACTS/REVIEWED BY:

FILE LOCATION:

Memorandum

*Flex your power!
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To: RAYMOND W. WOLFE, PhD
District Director

Date:

File:

From: CHRISTY CONNORS
Deputy District Director
Design

Subject: Certification of Project Cost Estimate Over \$5 Million

The contract cost estimate is complete and accurate, reflecting the true scope of the work to be performed and is representative of the most current market trends.

Recommend Approval:

CHRISTY CONNORS
Deputy District Director
Design

Date

APPROVED BY:

RAYMOND W. WOLFE, PhD
District Director
District 8

Date

Memorandum

*Flex your power!
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To: CHRISTY CONNORS
Deputy District Director
Design

Date:

File:

From: DESIGN SENIOR

Subject: Certification of Project Cost Estimate Over \$5 Million

In accordance with the Director's memorandum dated _____ regarding the preparation of the Cost Estimate, your approval is requested for the above-mentioned project.

The following cost analyses criteria were utilized to obtain the construction cost estimate:

- The work items that are equal to or greater than \$100,00 were analyzed using the cost comparison method from the District 8 contract cost database.
- The major work item costs were compared against the most recent bids from Districts 7, 8, 11, and 12. Below are the major work items:

WORK ITEM	QUANTITY	UNIT	UNIT COST	TOTAL COST	REMARK

This project has a target RTL date of _____ and is scheduled for advertisement on _____.

CHRISTY CONNORS

Date

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Attached are the backup data and calculations used to obtain the work item costs for this project.

The cost estimate for this project has been prepared under the direction of the following registered engineer:

PROJECT ENGINEER NAME Date

The contract cost estimate is complete and accurate, reflecting the true Scope of Work to be performed and is representative of the most current market trends. The funds request has been verified and is consistent with this Cost Estimate Certification.

Recommended Approval:

DESIGN SENIOR NAME Date
Office Chief
Design

DENISE CRAIG Date
Senior TE, Specialist